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71-1602

MAR 26 1971

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DDI-501-71

MEMORANDUM FOR:

The Secretary of State
The Secretary of the Treasury
The Secretary of Agriculture
The Secretary of Labor
The Director, Office of Management and Budget
The Assistant to the President for National Security Affairs
The Assistant to the President for Domestic Affairs
The Special Representative for Trade Negotiations
Chairman, Federal Reserve Board
Chairman and President, Export-Import Bank
Director, Central Intelligence ✓

SUBJECT: East-West Trade - CIEP Study Memorandum # 2,
March 13, 1971

In accordance with the above memorandum from Mr. Peterson, the Secretary of Commerce has designated me to chair an inter-departmental working group to prepare a comprehensive factual and estimative paper on the subject of East-West Trade by June 15, 1971.

I would appreciate receiving from you as promptly as possible the name of the individual you would like to have represent your agency as a member of this inter-departmental working group.

Robert McLellan
Assistant Secretary for Domestic
and International Business

cc: Mr. Deane R. Hinton, CIEP

On file Department of Commerce release instructions apply.

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COUNCIL ON INTERNATIONAL ECONOMIC POLICY

March 13, 1971

CIEP Study Memorandum # 2

MEMORANDUM FOR:

The Secretary of State
The Secretary of the Treasury
The Secretary of Agriculture
The Secretary of Commerce ✓
The Secretary of Labor
The Director, Office of Management and Budget
The Chairman, Council of Economic Advisers
The Assistant to the President for National Security Affairs
The Assistant to the President for Domestic Affairs
The Special Representative for Trade Negotiations

SUBJECT: East-West Trade

National Security Decision Memorandum 99 recorded the President's decision to take no policy initiatives with respect to East-West trade at this time. At the present time, there are also major questions about the magnitude and availability of such trade opportunities.

Thus, the President believes it would be useful to have a more definitive understanding of the size and nature of trade and investment opportunities in the USSR and Eastern European countries and of any special commercial problems (e.g. financing) should circumstances arise in which a change in policy might be wise.

I am, therefore, asking the Secretary of Commerce to designate a senior official to chair an inter-departmental working group to prepare a comprehensive factual and estimative paper on this subject by June 15, 1971. Defense should be invited to participate and perhaps, as well, such other concerned institutions as the Export-Import Bank and the Federal Reserve Board. Mr. Deane R. Hinton will be my representative in the working group.

The study should, as a minimum:

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(1) Describe and analyze the significance of existing levels, product categories, and patterns of trade and investment between Eastern European countries, on the one hand, and the US and our major free world competitors, on the other.

(2) Set forth the facts, not only as concerns the US but also, where appropriate, as far as our major allies and international agreements or understandings are involved, concerning:

- (a) export controls on goods and technology;
- (b) financial limitations on both trade and investment;
- (c) import restrictions - both tariffs and NTB's;
- (d) shipping limitations; and
- (e) attitudinal limitations on the part of business, labor, and government.

(3) Estimate the potential magnitude of US trade and investment in the USSR and in the various Eastern European countries five years from now, assuming expansion-oriented U S trade, credit, and investment policies.


Peter G. Peterson

cc:

The Secretary of Defense

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